



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0440 **Date:** February 8, 2022
Prime Sponsors: Rep. Exum; Van Winkle **Bill Status:** House Trans. & Local Govt.
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Bill Topic: TEEN PARENT DRIVING INSTRUCTION COURSE

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill requires the Department of Human Services to reimburse counties for driving school costs paid to teen parents who meet certain age and income requirements. Starting in FY 2022-23, the bill increases state and local revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2022-23, the bill requires an appropriation of \$475,000 to the Department of Human Services.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 22-1042

		Budget Year FY 2022-23	Out Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-	-
Expenditures	General Fund	\$475,000	\$135,159	\$131,426
	Centrally Appropriated	-	\$7,442	\$7,664
	Total Expenditures	\$475,000	\$142,601	\$139,090
	Total FTE	-	0.5 FTE	0.5 FTE
Transfers		-	-	-
Other Budget Impacts	General Fund Reserve	\$71,250	\$20,274	\$19,714

Summary of Legislation

The bill requires the Department of Human Services (DHS) to reimburse county departments of human services for costs paid to public or private driving schools for driving instruction provided to teen parents. To participate in the program, teen parents must be age 15 to 17 and eligible for the federal Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The DHS may accept gifts, grants, and donations to reimburse counties for these costs, and must finalize rules for the program by December 1, 2022.

Assumptions

In 2020, there were 560 births from teens ages 15 to 17 in Colorado. This fiscal note assumes that 70 percent of these teens qualify for WIC and that this number will remain relatively constant over time. It also assumes that half of eligible teens will use the program, for a total of 196 program participants annually, starting in FY 2023-24.

Because no existing system currently operated by DHS can identify WIC eligibility, this fiscal note assumes that the bill requires development of a new system in FY 2022-23 to allow DHS and counties to determine program eligibility. Cost estimates for the new system are based on systems developed to determine SNAP program and TANF program eligibility.

State Revenue

Starting in FY 2023-24, state revenue may increase on an ongoing basis from licensing fees, as well as gifts, grants, and donations.

Increase in driver license issuance. To the extent that the bill increases the number of minor driver licenses and permits issued, revenue to the Licensing Services Cash Fund will increase; this revenue is subject to TABOR. Currently, the fee for an instruction permit is \$18.52 and the fee for a driver license is \$30.87. Based on the assumed number of teen parents who will take a class, the fiscal note assumes any increase in fee revenue will be minimal.

Gifts, grants, and donations. The DHS may have increased revenue from the receipt of gifts, grants, and donations. At the time of writing, no source of gifts, grants, or donations have been identified. Gifts, grants, and donations are not subject to TABOR.

State Expenditures

The bill increases state expenditures in the DHS by \$475,000 in FY 2022-23, by \$142,601 in FY 2023-24, and by \$139,090 in FY 2024-25 from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 22-1042

Cost Components	FY 2022-23	FY 2023-24	FY 2024-25
Department of Human Services			
Personal Services	-	\$27,148	\$29,615
Operating Expenses	-	\$675	\$675
Capital Outlay Costs	-	\$6,200	-
Driver Education Reimbursement	-	\$101,136	\$101,136
Eligibility System Development	\$475,000	-	-
Centrally Appropriated Costs ¹	-	\$7,442	\$7,664
Total Cost	\$475,000	\$142,601	\$139,090
Total FTE	-	0.5 FTE	0.5 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Human Services. The DHS requires 0.5 FTE starting in FY 2023-24 to oversee the program; see Technical Note. Standard operating and capital outlay costs are included, and first-year staffing costs are prorated for the General Fund pay date shift.

- **Eligibility system development.** In FY 2022-23, one-time programming costs of \$475,000 are required to develop a system for determining WIC program eligibility. Program costs, to be paid from the General Fund, are based on 3,878 hours of programming at a rate of \$122.50 an hour.
- **Driver education reimbursement.** Costs will increase in the DHS to reimburse counties for sending teen parents to driving school by \$101,136 in FY 2023-24 and out years. This amount uses the estimated population discussed in the Assumptions section above and assumes an average driver education course cost of \$516 per youth.
- **Rulemaking.** The DHS is required to develop rules for the program by December 1, 2022. As a result, workload will increase in the DHS and the Department of Law. The workload associated with these activities is expected to be minimal and can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by

\$71,250 in FY 2022-23, \$20,274 in FY 2023-24 and \$19,714 in FY 2024-25, which will decrease the amount of General Fund available for other purposes.

Local Government

Costs will increase for county departments of human services to check program eligibility for teens that they serve, as well as for processing driver education costs and DHS reimbursements. These costs will vary by county and have not been estimated for this fiscal note. Workload will also increase for counties to update processes and train staff to use the new eligibility system.

County departments of human services will have increased revenue equal to the amount of funding distributed by the DHS, as outlined in the State Expenditure section above. If a county is currently using discretionary funds to pay for driver education, the bill will allow counties to use those funds for other purposes. If a county is not currently paying for driver education courses, expenditures will increase for that county.

Technical Note

The bill requires the DHS to reimburse counties for costs paid to driving schools on and after its effective date in mid-August 2022. However, computer programming is required for DHS to provide this service. Therefore, this fiscal note assumes that DHS will finish required programming in FY 2022-23 and fully implement the program starting in FY 2023-24.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2022-23, the bill requires a General Fund appropriation of \$475,000 to the Department of Human Services.

State and Local Government Contacts

Counties
Law

Human Services
Revenue

Information Technology
Transportation